C.   REMARKS

The Office Action has rejected claims 1-2, 4, 9-11, 56, and 57 under 35 U.S.C. § 102 as being anticipated by U.S. Patent No. 6,317,727 to May; claims 2-3, 8-12, 44, 45, 48, and 49 have been rejected under 35 U.S.C. § 103 as being unpatentable over U.S. Patent No. 6,317,727 to May.[1] In response, the claims have been amended to "generating a presentation of the retrieved open offers and bids <u>having commodities from more than one exchange displayed thereon</u>".

The present invention is a patentable improvement over prior art trading systems. In these prior art systems, a significant drawback occurred when multiple groups were formed such as, for example, multiple groups trading across a plurality of exchanges. When this occurs, liquidity is thus divided up or spread out among the groups. Certain groups may have dominant liquidity in commodities specific to that group; however, commodities that are common to various groups have liquidity drained by splitting the liquidity pool provided by users amongst the multiple groups. Thus, a need existed for a system for trading commodities and the like in an Internet-driven environment that enables various exchanges to create and share commodities within a unified database. A further need existed for a system for trading commodities and the like in an Internet-driven environment that permits member traders and brokers of various groups to post and view bids and offers and negotiate and consummate transactions on commodities from one or more exchanges in an integrated presentation that pools order liquidity from the various exchanges.

The present invention provides a method for cross-trading commodities and the like among a plurality of exchanges. A computer, a communications link between the computer and the Internet, and a database, accessible by the computer are provided. The database includes a plurality of user files. Each of the user files corresponds to a specified user of the system. Each of the user files contains levels of permission to access and/or trade corresponding to a plurality of exchanges to which the specified user may access. At least one computer site transacts specified commodities executing on the

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[1] Applicant does not understand to what the Office Action is referring when it cites to "paragraphs 75 and 118". If the rejection is maintained, clarification is requested.

computer accessible by selected users having proper exchange permission to access and/or trade for each exchange. A display is provided that permits users to post and view bids and offers and negotiate and consummate transactions on common commodities from one or more exchanges. Open offers and bids transmitted from the computer are presented to a user of the system over the communications link. The user database is queried to retrieve levels of permission to access and/or trade from a user file corresponding to the user. Open offers and bids are retrieved from the indication database corresponding to the predetermined commodities within the exchanges to which the user has been determined to have access. A presentation having the retrieved open offers and bids having commodities from more than one exchange displayed thereon are presented to the user. The presentation is transmitted to the user over the communications link. By sharing of common commodities from one or more exchanges, the liquidity of transactions of commodities is pooled and improved.

In contrast, U.S. Patent No. 6,317,727 to May ("*May*") describes a credit monitoring system. A check is performed to determine if two particular counterparties will accept each other for a particular trade based upon their respective predefined credit preferences. Credit preferences imputed by each counterparty with regard to the other counterparty are referenced to determine the trade eligibility of either party with respect to the other for a particular financial transaction instrument. An indication of whether a counterparty can enter into the proposed trade is conveyed to the respective trader, preferably using a color coding scheme in which various colors represent the relevant credit status with regard to the viewing trader. The check performed by the system may be embodied in a simple yes/no statement, in terms of maturity of a particular financial instrument, or in terms of a risk quotient (*i.e.*, risk equivalent or RQ) initially determined by the system, though modifiable by the trader.

Thus, May was designed simply to trade derivative instruments:

> "Accordingly, it is noted that no known system is designed to operate with derivative products such as interest rate swaps, caps, floors, forward rate agreements (FRA), interest rate basis swaps, interest rate options, switches, or other over the counter derivative instruments."

Column 4, lines 46-47.

In short, the credit capabilities of traders is neither the same as nor does it render obvious "a plurality of user files . . . containing levels of permission to access and/or trade corresponding to a plurality of exchanges to which the specified user may access" and "retrieving open offers and bids from the indication database corresponding to the predetermined commodities within the exchanges to which the user has been determined to have access".

Nevertheless, in order to expedite prosecution of the present application, the claims have been amended to recite "generating a presentation of the retrieved open offers and bids having commodities from more than one exchange displayed thereon". One of ordinary skill in the art was not anticipating the problems that it would cause to have multiple windows open from various exchanges that may contain similar commodities. The entire idea of being able to let the user view a single order book and then execute across exchanges while looking at a combined order book is nowhere described, taught or suggested in *May*.

Therefore, it is respectfully submitted that all of the claims recite patentable subject matter and are in condition for allowance. Accordingly, favorable consideration and allowance of the application is respectfully requested.

Respectfully submitted,

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